

To: Members of the Transportation Committee

From: Lisa Biagiarelli, CCMC, Esq., Tax Collector, City of Norwalk

Date: February 29, 2016

Re: Opposition to Governor's Bill HB # 5055 – "An Act Decreasing Wait Times at the Department of Motor Vehicles"

Governor Dannel Malloy has proposed eliminating the current statutory requirement of denying motor vehicle registrations or renewals to taxpayers who owe past due local property taxes or parking tickets. The Governor's intent with this is to reduce wait times and lines at the DMV and improve customer service.

The property tax compliance 'stop' at DMV is the single most effective collection enforcement tool for Connecticut tax collectors relative to motor vehicle taxes. In Norwalk, we hope to collect in excess of \$20 million in motor vehicle taxes and \$800,000+ in parking tickets this year. Without the threat of not being able to register a vehicle, a sizeable portion of that \$20+ million would be jeopardized. If the 'stop' is eliminated, there will be a two tiered revenue loss. First, not only will those who already owe back taxes be allowed to register without paying them (first tier), but there will be an ancillary effect (second tier). Many taxpayers make the choice to pay their car tax on time because they know they won't be allowed to register their cars if they owe taxes. Absent that threat of enforcement, taxpayers will be inclined to use their available funds to pay other, more pressing bills. We cannot quantify the amount of revenue that will be lost as a result of this proposal, but it would be sizeable.

The Governor labels this proposal as a 'common sense' solution to the problem of long lines at DMV, and states the core function of DMV should be to register cars, not to 'be a collection agency' for small dollar amount parking tickets and property tax bills. The DMV is not, and never has been, a 'collection agency' for us. However, the DMV arguably does – and should – have obligations relative to ensuring compliance with certain public safety and public benefit standards. Driving a vehicle is a privilege. Certain things need to be done to earn and to maintain that privilege, including keeping the vehicle in good working order, maintaining liability insurance, and so forth. It is not a stretch to expect that DMV should continue to have a role in enforcing compliance with local property tax and parking ticket obligations. Municipalities have in the past paid for this service and are willing to continue to do so.

The Malloy administration and the current leadership of the Connecticut General Assembly have consistently advocated regionalism, inter- and intra-agency cooperation, and other co-operative ventures and initiatives as means of achieving efficiency and improving customer service statewide. That being said, it is hard to understand the logic behind this proposal. The state and the municipalities should be working together to help one another. Cities and towns collect and remit numerous taxes, fees and revenues on behalf of the state. We are not asking the state to collect for us – we are asking only that they help us by basically 're-routing' to us those who owe us tax revenue before giving them the privilege of registering their cars.

As it stands, this proposal would hurt the on time, law abiding taxpayer. It would reward the scofflaw who would seek to ignore or avoid paying his or her property tax obligation. Uncollected taxes result in higher mill rates. When municipal budgets are crafted, the mill rate is set higher to account for that portion of the tax levy that is anticipated to be uncollectible during that fiscal year. If the amount uncollected grows, the mill rate goes up accordingly to compensate. This places an increased and unfair burden on the on-time taxpayer. This is not sound fiscal policy and is not a 'common sense' approach to the separate problem of long lines at the DMV.

I am a municipal public servant who has spent the last 30+ years collecting property taxes in three different municipalities. The Connecticut municipal tax collecting community stands ready to assist the state however we can to better serve our mutual constituents. We have done all we can to work with the staff at the DMV during their computer transition. I personally stand ready to assume additional duties in my official capacity, such as serving as a DMV satellite office and registering vehicles at the tax collector's office at our City Hall in an effort to alleviate problems at the DMV branches. Other tax collectors with whom I have spoken share my willingness to offer alternative solutions that best serve our mutual constituents and promote efficiency through cooperation and shared vision. Thank you very much for allowing me the opportunity to share my views.